

Central Intelligence Agency



Washington, D.C. 20505

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DDI-04441-85

OLL Record

5 SEP 1985

The Honorable William Proxmire
Vice Chairman
Subcommittee on Economic Resources,
Competitiveness and Security Economics
United States Senate
Washington, D.C. 20510

Dear Vice Chairman Proxmire:

In your recent letter you requested that we provide unclassified comparisons of US and Soviet defense spending for the years 1970 through 1983. We are now preparing a new paper on Soviet defense spending, which revises and brings up to date our assessments of the costs of Soviet defense activities and compares them with US defense-related expenditures. To put the costs of Soviet defense activities into their proper context, the paper will put more emphasis than in the past on detailing the level and trends in Soviet military production. It will also describe explicitly the assumptions underlying our work and the uncertainties inherent in such analysis. Finally, it will examine several alternative calculations of Soviet and US expenditures on defense and national security related programs. We have undertaken this broader approach to provide a more comprehensive and realistic appraisal of the scope of Soviet military activities as well as to minimize misinterpretation of our analysis.

We anticipate that this paper will be published late in the year and will contain the comparisons which you requested for each year up through 1985. These data will be classified, but in consultation with our oversight committees, we will examine the issue of providing an unclassified version.

Sincerely,



Robert M. Gates
Deputy Director for Intelligence

SUBJECT: Letter to Proxmire from the DDI, dated 30 August 1985

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SOVA/DEIG/DEA: ^{4 Sep} (30 Aug 85)

STAT

DDI 04139-85/1
19 August 1985

NOTE FOR: D/SOVA

SUBJECT: Response to Proxmire Letter

Doug

1. Bob would like to have a response developed that he could look at when he returns from leave on 3 September. I suggest the following approach.

2. We will prepare a new paper on Soviet defense spending. It will be different than our previous papers because we believe the way we have presented the information in the past has led to a selective use of the information and a misleading interpretation of our analysis. The new paper will put much more emphasis on a description of the production programs the Soviets have underway. It will be more explicit about our assumptions and our uncertainties. We should indicate to Proxmire that after the study is completed (it will be classified), we will, in consultation with our oversight committees, look at the issue of providing the unclassified version. [redacted]

25X1

[redacted]
Richard J. Kerr
Associate Deputy Director
for Intelligence

Attachment:

Proxmire Letter, dtd 15 August 1985

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August 15, 1985

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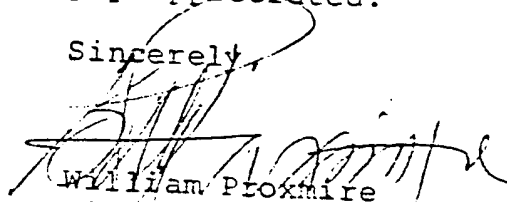
Dear Mr. Gates:

In the past, the CIA has made public dollar cost and ruble cost comparisons of estimated Soviet defense spending and U.S. defense spending. This is to request such comparisons for each of the years 1970 through 1983, and that the figures be provided to me on an unclassified basis.

You may be aware that these comparisons have been made available in the past, but not in the last year or so. In view of the revised estimates of Soviet defense spending since 1976, I believe it would be appropriate to update the comparisons.

Your cooperation will be deeply appreciated.

Sincerely,



William Proxmire
 Vice Chairman
 Subcommittee on Economic Resources,
 Competitiveness, and Security
 Economics

WP:rkt